



**Testimony
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Mandate relief is a top priority for Connecticut's suburban and rural towns. Connecticut will not be able to enact true property tax reform unless it recognizes the burden it places on towns and cities by passing unfunded state mandates. Connecticut's small towns and cities are once again facing enormous pressure to hold the line on local budget and property tax increases although local pension and benefit costs are rising. While we recognize that the state is not in a position to increase municipal aid, it can act now to relieve some of the burden on our small towns and cities by addressing long-standing concerns with unfunded mandates.

COST urges action now on the following mandate relief proposals that have been strongly supported by COST members for some time, including:

- **Enacting a 2/3 Approval Requirement for Any Unfunded Mandate** – Requiring any new unfunded mandate to be approved by a 2/3 vote will bring more transparency to the process and highlight the cost of the proposed mandate to Connecticut's towns and cities and give lawmakers the opportunity to carefully weigh the fiscal impact before passing on another unfunded mandate to Connecticut taxpayers. A partnership must exist between each level of government and fiscal impact discussions must take place before mandate legislation is passed. We therefore urge support for **HB-5097, HB-5099, HB-5101, HB-5172, HB-5241, HB-5273, HB-5274, HB-5438, HB-5439, HB-5528, HB-5529, and SB-223.**
- **Posting Legal Notices on the Internet** - The cost of publishing legal notices in the newspapers has increased significantly. Moreover, many newspapers serving small towns and cities are no longer in business, forcing towns to publish notices in the more expensive metropolitan newspapers. Increasingly, taxpayers go to their municipal websites to find up-to-date information on issues affecting towns, including legal notices. Input from our small towns indicates that towns spend between \$5,000 - \$25,000 each year to publish legal notices in newspapers. COST therefore supports **SB-143, HB-5530 and HB-5532** to allow towns to post full legal notices on their websites and limit publication in the newspapers to a summary of the notices.
- **Relieving towns from the cost and burden associated with storing the personal possessions of evicted tenants.** A 2006 report prepared by the Office of Legislative Research (OLR) indicates that "In the overwhelming majority of the 37 states that we researched, a landlord may dispose of personal property that a tenant leaves in dwelling units by selling it after first notifying the tenant of his intent and storing the property for a period prior to the sale." Under Connecticut law, however, the responsibility for storing the property is shifted to the municipality, which places a heavy financial burden on our towns and cities. The requirement that towns store an evicted

tenant's possessions is extremely costly and burdensome, particularly at a time when towns are struggling to provide residents with services without raising property taxes. There are an estimated 2,500 residential evictions per year. Storage costs average between \$10 and \$15 per day, per eviction, for an average of 15 days. This can range from approximately \$12,000 to \$165,000 per municipality. **COST therefore urges support for HB-5295 which eliminates the burden on towns.**

In addition to these mandate reform measures, which we appreciate you raising, COST urges you to consider bills to address the following mandate relief issues:

- **Municipal Employee Retirement Program** – Towns must begin to address pension and benefit costs which are driving up municipal budgets. Towns need financial relief from state-mandated municipal contributions to the Municipal Employees Retirement System. The percentage of employee contributions, which is set by statute, has never been modified. **COST recommends amending the statutorily set employee contributions to the Municipal Employee Retirement System by increasing such contributions by 1% annually over the next three years-to total employee contribution to MERS of 5.25%. This will fund the system more equitably and ensure its continued financial viability.**
- **Minimum Budget Requirement (MBR)** - Authorize towns to reduce their minimum budget requirement to reflect cost-efficiencies that can be found in school budgets. . The current MBR mandate does not provide incentives to towns to find solutions that would reduce educational costs. Even where efficiencies can be found in school budgets to help reduce costs or where enrollment has declined, the state mandates that local education budgets cannot be reduced below FY 10 spending levels. Municipalities must have more flexibility under the Minimum Budget Requirement in FY 11-12.
- **Binding Arbitration** - The big driver of local budgets is education – an area over which local government and citizens have little control. An increasingly unmanageable portion of the local education budget is teachers' salaries and benefits. Unfortunately, under the current binding arbitration mandate, towns have very few options with which to negotiate any savings. In these difficult economic times, current binding arbitration laws can no longer be justified. Meaningful binding arbitration reform is needed to reduce the financial and administrative burden on small towns and cities. To address this, **COST supports giving towns the right to reject arbitration awards by a 2/3 vote of a town's legislative body; adjusting the timeframes for negotiations and ensuring that a town's fund balance is not considered in making binding arbitration awards.**
- **Prevailing Wage** - The prevailing wage mandate results in significantly higher costs for local projects such as schools, ball fields and senior centers. Prior to 1991, legislators adjusted the prevailing wage threshold on a six-year schedule to ensure that smaller projects were exempt from the mandate. However, the thresholds (\$100,000 for renovations and \$400,000 for new construction) have not been adjusted for a number of years. Failure to adjust the thresholds for prevailing wage projects to exempt smaller town projects has cost Connecticut towns millions of dollars. **COST advocates increasing the prevailing wage threshold to \$1 million for new construction, \$400,000 for renovations and indexing the threshold to annual inflation rates.**

Thank you for the opportunity to comment on mandate relief. COST looks forward to working with lawmakers to enact meaningful measures to help towns reduce costs and hold the line on property taxes.